

**Standard USHC-5:** The student will demonstrate an understanding of major social, political, and economic developments that took place in the United States during the second half of the nineteenth century.

**USHC-5.3** Explain the transformation of America from an agrarian to an industrial economy, including the effects of mechanized farming, the role of American farmers in facing economic problems, and the rise of the Populist movement. (H, E, P)

**Taxonomy Level:** 2.2 B Understanding/ Comprehension

**Previous/future knowledge:**

In 8<sup>th</sup> grade, students were introduced to the problems of the farmers of South Carolina. They studied key aspects of the Populist movement in South Carolina, including the economic and political roots of Populism, the leadership of Benjamin Tillman, conflicts between the Tillmanites and the Conservatives, the founding of land-grant colleges, and the increased racial conflicts and lynching (8-5.2).

In Economics, students will further explore the dynamics of supply, demand and price for which the farmers' dilemma establishes important background (ECON-2). They will study the roles and relationships among banks and businesses and consumers (ECON 5.2), the role of the money supply (ECON 7.2) and the roles of government in the U.S. economy (ECON 6.1).

In United States Government, students will further explore the relationship between the national and state government powers that is illustrated in the issue of railroad regulation (USG-3.1), the role of political parties in shaping public policy (USG-3.4) and in the election process (USG-3.5) illustrated by the Populist Party and the election of 1896. Students will study the political and economic rights of American citizens and civic responsibility in maintaining a democracy (USG-5).

**It is essential for students to know**

In order to understand the economic problems of the farmer in the 19<sup>th</sup> century, students must understand supply and demand. As a result of the introduction of the steel plow, the **mechanization** of the reaper and the availability of land in the West, American farmers produced an abundance of crops. Despite the growing urban population, supply exceeded demand and the price that farmers were able to get for their crops fell throughout the period. Farmers were unable to make payments on the loans that they had taken out to purchase land and equipment. Farmers first responded to this problem as individuals by planting more so that they could make more profit. However, the more farmers planted, the more prices fell.

**Farmers tried to solve economic problems** by organizing politically. They organized first as the Grange, which was originally a social organization designed to alleviate the isolation of farm life. It evolved into an economic and political organization which pooled the buying power of the individual farmers to buy farm equipment at cheaper prices and to elect representatives to state legislatures. Because farmers blamed their economic distress on the railroad for the high prices they charged to ship farm goods to market, state legislatures passed laws designed to protect the farmer, known collectively as the Granger Laws, which tried to regulate how much the railroad could charge for transport and storage. The Supreme Court upheld the right of the states to regulate the rates charged by railroads for storage in stationary grain silos [*Munn v Illinois*]. However, the Supreme Court found that state law could not regulate the rate charged by the railroad for transportation across state lines because only the federal government can regulate interstate commerce. The federal government then responded with the Interstate Commerce Act, which set a precedent for regulation of business by the federal government. In a series of cases [the *Freight Rate Cases*], the Supreme Court severely limited the effectiveness of this law. Students should also understand that demand for goods is influenced by the amount of money available in the economy. The late 19<sup>th</sup> century was an era of deflation. There was a declining amount of currency

available to buy an expanding array of goods. As debtors, farmers wanted the money supply in circulations to be increased. More money in the economy would inflate the price they could get for their crops while at the same time it would allow them to pay off their fixed mortgages with money that was not worth as much as when they took out the loan. Bankers did not want to be paid back in money that was less valuable so they opposed any policy that might be inflationary and advocated *laissez faire*. During periods of depression [1873, 1884 and 1893], farmers were hard pressed to make payments on their loans. Farmers blamed banks and the eastern banking establishment for high interest rates and for foreclosures on farm property that resulted from farmers' inability to pay their mortgages. As farmers lost their land, many moved to the city for jobs in industry.

Farmers took political action to address their problems. They supported political parties that advocated 'soft money.' Farmers organized in regional Farmers' Alliances in the 1880s that advocated change in the monetary supply, especially the coinage of silver. African American farmers were also active in the Alliance movement and this activity contributed to the movement to formalize segregation in Jim Crow laws. Elite southerners and Northern capitalists feared the cooperation of African Americans and white farmers and workers in the political process and used race to divide them. In the 1890s, the alliances united to form the **Populist Party** which supported the regulation of railroads and banking and the free and unlimited coinage of silver. The party also advocated government reforms such as the popular election of Senators, the secret ballot, a graduated income tax, and a system of federal farm loans. The farmers attempted to ally with the workers by advocating an eight-hour day and restrictions on immigration. The Populist Party was successful in electing senators, governors and state legislators in the South and West.

Students should understand that the election of 1896 was a pivotal one. Although the main issue was "soft" money versus "hard" money, bimetallism vs. gold; the underlying issue was which groups the government would protect: bankers and businessmen or farmers and laborers. They should be familiar with William Jennings Bryan and the "Cross of Gold" speech, with the front porch campaign of William McKinley and the role of Big Business in securing McKinley's election. They should also note that workers voted for the Republican Party because they feared for their jobs and because they did not support an inflationary monetary policy that would raise the price of food.

Students should be reminded of the role of the Populist movement in the passage of the Jim Crow laws that they were introduced to in the 8<sup>th</sup> grade. Conservatives in the South feared the political potential of a united movement of black and white farmers. By their racist rhetoric they made it impossible for southern farmers to unite in their own interests.

Students should understand that the problems of the farmers continued into the 20<sup>th</sup> century and were somewhat addressed by policies of the Progressive Era (USHC 5. 7), that farmers prospered during World War I, but fell onto hard times again in the 1920s with the policies of Republican presidents (USHC 7.1). Farmers issues were eventually addressed in the New Deal (USHC 7.7).

**It is not essential for students to know:**

Students do not need to remember the names of the Supreme Court cases or the details of the government's policy on the coinage of silver, including the "Crime of '73," the significance of the ratio of 16:1; the Bland- Allison Act; or the role of the silver mine owners in supporting the farmers' advocacy of silver. They do not need to know that the passage of the Bland Allison Act was not inflationary since the government purchased the minimum amount required by the law. Neither was the Sherman Silver Purchase Act an inflationary measure since the government purchased silver, thus solving the problem for silver mine operators, but did not coin and circulate it as money. They do not need to understand the role of J.P. Morgan in bailing out the government from its financial woes as the purchase of silver depleted gold reserves in the 1890s.

Students do not need to remember the names of the individuals active in the various farmers' organization such as Oliver Kelley, Mary Elizabeth Lease, "Pitchfork" Ben Tillman or James B. Weaver. They do not need to understand the conflict within the Populist Party about whether or not to endorse Democratic candidate William Jennings Bryan or his dual nomination by the Democratic and Populist Parties. Students do not need to know that *The Wizard of Oz* can be read as an allegory on the problems of the farmers and the workers in the late 19<sup>th</sup> century.

**Assessment guidelines:**

Appropriate assessments will require students to **explain** the economic problems of farmers of the late 19th century and the role that farmers played in meeting these problems with political action. Students should be able to **summarize** and give **examples** of the impact of mechanized farming. They should be able to **interpret** the reasons for the farmers' problems and **classify** the farmers' response as either economic or political. Students should be able to **interpret** maps, graphs, photographs, political cartoons and campaign posters and **infer** their relationship to information about the time period. Assessments may ask students to **infer** the significance of the farmers' movement for American democracy and the effectiveness of the Populist Party.